MUSINA MUNICIPALITY

FINAL BUDGET NARRATIVE REPORT
2018/2019

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ABBREVIATIONS

MFMA- Municipal Finance Management Act 56 of 2003

MBRR- Municipal Budget and Reporting Regulations

MTREF- Medium Term Revenue and Expenditure Framework

EPWP – Expanded Public Works Programme

FMG – Finance Management Grant

INEP – Integrated National Electricity Program

MIG –Municipal Infrastructure Grant

SPECIAL GRANT – Provincial Treasury Relief Grant.

1.1. Mayors Report

See as an separate attachment the budget Speech by Her Worship Mayor of Musina, Cllr. Mihloti Muhlope during the Council Meeting held at Musina Municipality Council Chambers on :24 May 2018

DEPARTMENTAL BUDGET BY MAJOR VOTE

Executive and Council : R 65 706 million

Municipal Manager : R 13 286 million

Financial Services : R 23 650 million

Community Services : R 28 519 million

Technical Services : R 123 887million

Planning and Development : R 8 871 million

Corporate Services : R 22 757 million

GRAND TOTAL BUDGET : R 286 676 million

OPERATING GRANTS ARE AS FOLLOWS:

EPWP: R1 040 million

Equitable shares: R124 015 million

Finance Management Grant: R1 900 million

GRAND TOTAL OF OPERATING GRANTS: R 126 955 million

1.2. COUNCIL RESOLUTION

See attached

1.3 EXECUTIVE SUMMARY

In terms of the legislative process, the IDP and Budget must be tabled to Council by no later than 90 days before the commencement of the new financial year for endorsement so that the public participation processes can commence in the following month. Thereafter the tabled budget with input from the role players must be considered by Council for final approval not later than 30 days before the new financial year.

The draft IDP and Budget was being put forward for tabling to Council as required by section 16 of the MFMA.

The following attachments are provided:

SECTION ONE: INTEGRATED DEVELOPMENT PLANNING

Annexure A Reviewed Integrated Development Plan (IDP) see the attached Draft Budget package

SECTION TWO: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

Annexure B Medium Term Revenue and Expenditure Framework – Complete Budget Document as per Budget and Reporting Regulations

SECTION THREE: SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

Annexure C Departmental Service Delivery Budget Implementation Plan (Measurable Performance Indicators section) (SDBIP)

DISCUSSION

Section 16 of the MFMA dealing with the tabling of annual budgets, inter alia, reads as follows:

1) *The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.*

2) *In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.*

3) *Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.*

Section 24 of the MFMA dealing with the approval of annual budgets and, inter alia, reads as follows:

1) *The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.*

2) *An annual budget-*

   a) *must be approved before the start of the budget year;*
   b) *is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and*
   c) *must be approved together with the adoption of resolutions as may be necessary-*

      i. *imposing any municipal tax for the budget year;*
      ii. *setting any municipal tariffs for the budget year;*

iii. *approving measurable performance objectives for revenue from each source and for each vote in the budget;*

iv. *approving any changes to the municipality's integrated development plan; and*

v. *Approving any changes to the municipality's budget related policies.*

3) *The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.*

PROCESS FOLLOWED

Background

- In terms of the Budget Schedule of Key Deadlines as approved by Council in August 2017/08, the draft IDP and Budget has to be tabled to Council in March 2018.
- The Draft IDP and Budget will thereafter be presented to stakeholders of the Musina Municipality, including the broader community, National and Provincial Departments, CBOs, NGOs, etc. for their respective input.
- The departments received budget compilation guidelines and templates to be submitted in support of their budget requests during September 2017.
- Departments duly complied and submitted their Operating and Capital Budget requests to the Finance department for consolidation during October 2017. Consolidation of the departmental input received and analysis of the requests took place from November 2017 to January 2018.
- Departments refined and set targets for their respective departmental plans which are included in the Draft IDP. The proposals contain results which departments will work towards achieving and to support the achievement of the programs contained in the **Annexure A** of Reviewed IDP for the 2018/19 financial year.
- **Annexure B** contains the detailed budget of Musina Local Municipality for the MTREF period. It is compiled in line with the Budget Guideline set out by National Treasury. The template supplied by National Treasury was used and it is in the exact format as prescribed.
- **Annexure C** is a complete list of all the various tariff schedules of Council. It includes the major tariff schedules as well at the tariff schedules of other services. A summary of the tariff increases is included in Annexure B as well.
- In terms of the Municipal Budget and Reporting Regulations Council must consider only the policies with proposed changes as part of the budget process. However, **Annexure D** contains ALL the Budget Related Policies of Council.
- The Departmental Service Delivery Budget Implementation Plan (Measurable Performance Indicators section) (SDBIP) of Council. In terms of legislation it must be reflected in MBRR Table SA7 as part of Annexure B of the report. For ease of reference the complete document in **Annexure E**.
- A detailed Capital Budget which make reference to the ward information is included as **Annexure F.** Though such an annexure is not required in term of legislation, it assist in many ways when budget is scrutinised during public participation.

Process followed to compile the annual final Budget for the 2018/19 period

The Budget Office was responsible for the consolidation of the budget requests as submitted by the departments. After consolidation of the budget requests the Capital and Operating Budget was submitted to both HOD meetings and Budget Steering Committee.

Various meetings took place and the budget requests were scrutinized in detail. The following factors affected the compilation of the draft budget:

- Evaluation of the capital budget submission by MIG. The entire purpose is to ensure that the budget is addressing the strategic goals set by Council as embedded in the prioritization model.
- The Mid-year performance of departments were also taken into consideration during the evaluation of the budgets.
- The assessment conducted during the quarterly Budget Review meetings of the Extended HOD meeting: Finance together with strategic departments affected the draft budget as tabled.
- The budget requests were scrutinized by HOD Committee on administrative level.

IDP REVIEW AND SDBIP PREPARATIONS

In terms of section 34 of the Municipal Systems Act, 32 of 2000, the council must annually review its Integrated Development Plan in terms of a predetermined process.

The review of the Integrated Development Plan (IDP) in terms of the Municipal Systems Act was guided and informed by the following:

- It must support and work towards achieving the Vision and Mission of Musina Local Municipality.
- Working towards the achievement of the Musina Local Municipality Growth goals and programs.
- Addressing the National Outcomes set by Parliament as well as the National Development Plan (NDP).
- Focus on basic service delivery in terms of the eradication of backlogs and the maintenance of existing infrastructure and ward priorities.
- Provincial plans and programs applicable to the specific. Budget allocations by the respective provincial sector departments to these projects should also be reflected as far as possible.

All departments were part of the process of reviewing the IDP and SDBIP in terms of the approved Steering Committee set dates.

The Economic Development and Planning Department conducted meetings with ward committees to get input for the review of IDP. Ward committees were consulted to obtain the priorities and need of the various ward committees. The proposals formulated in terms of the high level results which departments will work towards achieving to support the Growth Programs has been drafted. These still need further refinement in terms of detail targets to be reflected in the SDBIP.

IDP engaged meetings with each department during September 2017. This consisted of one-on-one engagement with Departments to discuss the Budget, SDBIP and finalize indicators and targets. The

process also involves ensuring that Departmental outputs are aligned with national outcomes and the Growth Development Strategy

FINAL BUDGET

The final budget was based on all the principles and guidelines as contained in the Medium Term Budget and the other budgeted related policies of Council and included in this report.

Operating Budget

The MTREF for the 2018/19 Multi-year Final and Adjustment budget, with comparative information is as follows:

	Adjustment Budget Year 2017/18 Read '000	**Budget year +1 2018/19 Read '000**	**Budget Year + 1 2019/20 Read '000**	**Budget Year +2 2020/21 Read 000**
Total Operating Revenue	324 720	286 676	315 834	336 828
Total Operating Expenditure	324 719	286 676	315 834	336 828
Surplus / (Deficit) for the Year	0	0	0	0
Total Capital Expenditure	42 468	43 492	51 416	49 665

The above table illustrate the high level synopsis of our Revenue and Expenditure and growth patterns as slow as they appear, it is the realistic collections and grants received which are in contrary with the Economic zone status accorded us, looking at expenditure the amount thereof are as little cut to the bone as possible to enable us to render services and operate as a going concern, however it is going to be painstakingly tough considering our unpaid debts in respect of Eskom, Labour, Traffic, Loans repayment etc.

Highlights of the Budget

Economic Growth Rate

The Municipality is cognisant of the economic pressures that its customers are facing and are aiming to keep tariff increases as low as possible this year.

The compilation of the MTREF remains a huge challenge to balance the budget between the limited revenue resources available and the immense need to provide quality service delivery to our community. Tariff increases must be limited to be within the affordability levels of our community.

In terms of the National Treasury Budget Circular No 91 dated 07 March 2018, the economic growth rate is predicted at 1.5% for the 2018/19 financial year. The International Monetary Fund recently published their assessment of the SA economy and a growth rate of 0.7% is predicted. Taking local factors into consideration as well as the results in the mid-year report of Council the following growth rate is predicted for 2018/19:

The **inflation outlook** as set out in Circular No 91 issued on 07th March 2018 is set at **5.3**%.

Tariff Increases

It is proposed that the **property rate tariff** be increased by 5.9**%** for 2018/19, which is still in line with the tariff increase set in the current MTREF approved by Council.

It is indicated in Circular 91 of National Treasury that bulk purchases from Eskom should increase with 7.32%, but as a result of the fact that Eskom applied for a higher tariff increase to compensate for under recovery of revenue, The draft tariff has thus far been adjusted in accordance with the final recommendation by NERSA to be infected after 5th April 2018 tabling of Eskom tariff tabling prices for municipalities to be indicative rate of 6.84% guide

Refuse removal tariff increase was set at **5.9%** for all users. This is largely based on the increase of the main cost drivers of the service.

The following table reflects the multi-year tariff assumptions for the 2018/19 MTREF as discussed:

Revenue category	**2018/19 proposed tariff increase**	**2019/20 proposed tariff increase**	**2020/21 proposed tariff increase**
	%	**%**	**%**
Assessment Rates Income	5.9%	6.19%	6.50%
Electricity Sales(Indicative rate is at 6.84%) prior to approval in the circular 86)	6.8%	7.68%	8.07%
Refuse Removal / Solid Waste Sales	5.9%	6.19%	6.50%

The financial sustainability of the 2018/19 MTREF is largely dependent on the collection level of billed income. Provision is made for a **collection level of 84%**. To achieve this collection, the Municipality will have to implement more robust credit control measures.

In terms of Council's social commitment to assist the poorer communities in Musina it is proposed to make no changes to the supply of free basic services and social contributions to identified households in MLM.

All houses with a market value of below R 75 000.01 is exempted for assessment rates and market value above R75 000.01 the first R30 000 is exempted. Various other grants on assessment rates, such as pensioners' rebate, rebate to low income people, properties zoned for religious purposes, will continue in the new year.

Cognisance must be taken of the fact that the budget will in accordance with Council's resolution be adopted 24 May 2018. The assessment by Provincial Treasury has been considered particularly with reconciliation of A6 and A7, however it is the ability to bill and collect as indicated above, with the enforcement of credit control so that we can be able to services our mandate of providing electricity, collection of refuse and related functions .

CAPITAL BUDGET

The **Capital Budget** of **R43 492 million** for 2018/19 is apportioned according to the R15 Million envisaged to be received from the department of energy as a grant and MIG of R 28 492 Million

The Capital Budget is largely driven by projects emanating from the IDP and projects identified by the community as well as the backlog in services. A comprehensive backlog study was conducted and various components of backlog on infrastructure were analyzed, including access backlogs, technical backlogs, and growth and renewal backlogs

The evaluation of the project proposals was based on the following key criteria:

- Compliance with Draft Capital Projects from the IDP Review – PMU
- Compliance with Grant conditions placed on the Project plans
- Compliance with the Procurement Plan

The Capital Budget will be funded as follows:

- **Other grant funding** - allocation of all the external funds as per the 2018/19 Division of Revenue Act (DoRA) and the Provincial gazette - to fund social projects that will not necessarily generate revenue.
- **Internal generated funds**- the municipality does not have the funds to cover for projects

The following table A5 provides a breakdown of budgeted capital expenditure by classification and funding as attached schedule A

LIM341 Musina - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funded by:											
National Government		18,943	14,356	32,631	47,468	42,468	42,468	42,468	43,492	51,416	49,665
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	18,943	14,356	32,631	47,468	42,468	42,468	42,468	43,492	51,416	49,665
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		10,507	3,561								
Total Capital Funding	7	29,450	17,917	32,631	47,468	42,468	42,468	42,468	43,492	51,416	49,665

PROPOSED POLICY CHANGES

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The entire set of Budget Related Policies can be viewed on the MUSINA LOCAL MUNICIPALITY website: http://www.musina.gov.za

It is required by legislation that amendments to all budget related policies must form part of the final budget as such they've been taken through Public Participation. The following budget related policies are included as Annexure D to this report:

LIST OF BUDGET RELATED POLICIES

The following is a list of all budget - related polices which have been reviewed:

1. Asset management policy;
2. Budget policy;
3. Cash management and investment policy;
4. Credit control policy;
5. Indigent policy;
6. Overtime policy;
7. Supply Chain Management policy;
8. Risk management policy;

9. Property Rates Policy
10. Virement Policy

LEGAL IMPLICATIONS

The tabling of the IDP and Budget in March 2018 and Adoption in May 2018 will ensure compliance with Section 16 of the MFMA.

COMMUNICATION IMPLICATIONS

Immediately after tabling to Council, the community consultation process, including the oversight process must be commenced with.

This will include the following:

- Documentation to be placed on the website
- Copies of all documentation to be made available at all libraries and pay points
- Community consultation meetings to be arranged
- Documentation to be circulated to National and Provincial Treasuries and Cohgsta
- Advertisements to be placed in the media advising the community of the consultation process.

RECOMMENDATIONS

1. **That** the report regarding the final Integrated Development Plan and the final Medium Term Revenue and Expenditure Framework for Musina Local Municipality for the 2018/2019 to 2019/2020 financial period **BE NOTED.**

2. **That** the final Integrated Development Plan and the final Medium Term Revenue and Expenditure Framework for the 2018/2019 to 2019/2020 Budget Year +2 financial period, inclusive of Tariffs and budget related policies as contained in the Budget Document **BE NOTED** in terms of Section 16 of the Municipal Finance Management Act**.**

3. **That** the final Integrated Development Plan and the final Medium Term Revenue and Expenditure Framework for the 2018/2019 to 2019/2020 Budget Year +2 financial period, inclusive of tariffs and final budget related policies as contained in the Budget Document **BE SUBJECTED** to a detailed review and community consultation process in terms of Sections 22 and 23 of the Municipal Finance Management Act and that the consultation process be done in accordance with Chapter 4 of the Municipal Systems Act.

   The executive summary of MUSINA LOCAL MUNICIPALITY for the Final Budget of 2018/19 has been quality assured by the following signatories. (See attached Quality Certificate)

1.4. Musina Local Municipality's Final Operating Revenue Framework 2018/2019

- For Musina Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue, and enforce the tariff.
- In these tough economic times strong revenue management is fundamental to the financial sustainability of our municipality.
- The reality is that we are faced with developmental backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The Musina Local Municipality's revenue strategy is built around the following key components:

• National Treasury's guidelines and macroeconomic policy;

• Growth in the Town and continued economic development;

• Efficient revenue management, which aims to ensure an 84 % annual collection rate for property rates and other key service charges;

• Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA); @ 6.84%

• Achievement of full cost recovery of specific user charges especially in relation to trading services;

• Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;

• The Municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);

• Increase ability to extend new services and recover costs;

• The Municipality's Indigent Policy and rendering of free basic services; and

• Tariff policies of the Municipality

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

And the merits as set out in terms of sec 18 of MFMA to fund the Budget has been complied with before we took the Budget to Council for Adoption, however looking at tables A7 and A8 of our Budget examination and assessment of our Tabled Budget the outcome was as such that we are having unfunded budget which might be in contravention of MFMA circular 42 in face value, but the reality of the matter is that combination of cash derived from realistically anticipated revenue to be collected in the year 2018/2019 and throughout MTREF is as such, that we will have zero/surplus or deficit(balanced in term of revenue and expenditure).

Not discounting the fact that our anticipated grant (specifically) a portion of Equitable Share, is used to service the prior year's debt (Eskom) and a payment plan was submitted to council and subsequently Eskom which we will honor until 2 outer years of reporting.(that will give strain into our cashbook) must the aim is to counter that with vigorous credit control measures and compliance to the expenditure cash containment.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix.

Total revenue budget for rates and services charges is R130.718 million for year 2018/19, Property Rates with a Budget of R19 129million and of Services Charges with a budget of R111 589 million respectively 2018/2019. This increase in growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, of 2018/19 which in turn is due to rapid increases in the Eskom tariffs for bulk electricity, and thus the increase of 6.84% for 2018/19 cannot be regarded as increase flowing from the high cost of electricity from previous years. Property rates is the third largest revenue source totaling R19 129million. The second largest sources is „other revenue‟ which consists of

various items such as income received from permits and licenses, sale of sites, building plan fees, connection fees, and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.
Operating grants and transfers totals R114 522 million in the Annual Budget 2017/18 financial. And for the year in reporting of 2018/2019 is R126 955 million
Note that the year-on-year growth for the 2017/18 financial year has stabilized but critical to service delivery allowing the Municipality steadily increase in the Adjustment Budget revenue and having set the Tariffs structure in the beginning of July 2017 that is pro-poor and investor's friendly, the tariff for 2018/2019 as set are at 5.9% thus requiring us to be within the projected growth as stipulated in circular 91.
Note: tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Town (Municipality).

Note: National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

Note: Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.
It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc.

The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. However tough it is the municipality is facing financial difficulties considering the number of creditors we owe v/s the amount of revenue generated, especially sectoral debt i.e. Eskom, Department of Transport, labour and this flow has a negative impact on the assessment of our Budget, Musina Local

Municipality has undertaken the tariff setting process relating to service charges not to be changed because for this current year financial recovery plan has been tabled in council.

Also to note.

- Property rates - the municipality received more than budgeted for as a results of rates and taxes received in advance for DeBeers mine.
- Traffic fines- the municipality received less than budgeted for and there is a slow pace in revenue collected
- Transfer and Grants – however in 2018/19 we would see the decrease in our transfers and grants

1.5. Musina Local Municipality's Final Operating Expenditure Framework 2018/2019

The Musina Municipality's expenditure framework for the 2018/19 final budget and MTREF is informed by the following:

• The asset policy and the repairs and maintenance plan;
• Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit; our budget outlook has considered a lot of inputs as alluded to by provincial treasury, with all been said that our Budget is not funded, but during many engagement, with provincial treasury, coghsta, it was said that due to commitments to pay previous years debts, i.e. Eskom, dept labour and transport coupled with inability to honor some of our obligations, the current and coming **financial year** will look similar with trends because the current account which is the Budget funds not only anticipated 2018/2019 debts or commitments but also historic issue. Which put strain on the funding model, unless if we can get cash injection (relief grant) or be more creative in terms of tariff setting.
The cash flow analysis will bear testimony to the trends, and extensive cutting of non-essential items was done, to try and reduce the burden. The only items that are in our final Budget can only sustain the Municipality to meet its obligations over the years.
• Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;

Budget allocation for employee related costs for the 2018/19 financial year totals R 120 700 million, and R 10 460 million for councilor remunerations allocated considering the Upper limits and effects of after July increase and disestablishment of Mutale local. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6 per cent for the 2018/19 financial year.

An annual increase of 5.4 per cent has been included in the two outer years of the MTREF. As part of the Musina Local Municipality cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards.

In addition expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions.

- Contracted services – payment of own contracted service provider due to cash flow challenges which increased our creditors.
- Other materials under spent.

Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Town's current infrastructure, the 2018/19 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by repairs and maintenance plan of the Musina Local Municipality, the budget for repair and maintenance has increased to R39.302m. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

1.6. Capital Expenditure

2018/19 MTREF capital budget per vote

Medium Term Revenue & Expenditure Framework Current Year 2018/19

The capital budget decreases from R47.468 million in 2017/18 to R43 492 million for current 2018/19.

National Treasury recommended that a minimum of 40% of a municipality's capital budget should be for renewal of existing assets as opposed to new infrastructure. In the municipality's proposed capital budget the renewal of existing assets equates to R19 672million or 52% of the total 2018/19 capital budget, while new assets represents R22 615million or 48%. It is important to note that asset renewal represents the upgrading or replacement or extension of existing municipality owned assets, while new assets will result in an increase in the asset base of this municipality.

1.7. Overview of final Budget Tables explanatory notes

The following pages in this section presents the 10 main budget tables as required in terms of Section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018/19 final budget and MTREF as approved by Council. Each table is accompanied by explanatory notes on the facing page.

Explanatory notes to MBRR Table A1 – Budget Summary (Referred to Table A1 Final budget 2018/2019)

1. Table A1 represents a high-level summation of the Musina municipality's budget, providing a view that includes all major components, i.e. operating, capital, financial position, cash flow and MFMA funding compliance.

2. In essence it provides a synopsis of the amounts to be approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance and the municipality's commitment to eliminate basic service delivery backlogs.

3. Financial management reforms emphasizes the importance of funding for the municipal budget. This requires the simultaneous assessment of the financial performance, financial position and cash flow budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

I. The operating surplus/deficit (after total expenditure) is R0, R0.Mil and R0Mil over the MTREF.
II. Transfers recognized are reflected on the Financial Performance Budget.
III. The municipality does not have borrowings to fund capital budget.
IV. The municipality does not have internally generated funds to finance capital budget as indicated above on point I.

4. The cash-backing/surplus reconciliation shows that the liquidity position of the municipality is under pressure and consequently many of its obligations are not cash-backed. This placed the municipality in a very vulnerable financial position. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted MFMA Circular 70 regarding cost containment measures. This cannot be achieved in one financial year. But over the MTREF there will be progressive improvement in the level of cash-backing of obligations.

5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of FBS shows that the amount spent on FBS and the revenue cost of free services provided by the municipality continues to increase.

Explanatory notes to MBRR Table A2 (Referred to Table A2 Final budget 2018/19 document) - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

2. Note that in Table A2A Expenditure standard on Mayor and Council has been stable since 2017/2018 Adjustment Budget,

3. Note that the Total Revenue in this table excludes capital revenues (transfers recognized – capital) and so does balance with the operating revenue shown on Table A4.

4. Note that as a general principle the revenues for Trading Services should exceed expenditures. The table highlights that this is the case for electricity, and the solid waste management (refuse removal) functions.

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance – (Referred to Table A3 Final budget 2018/2019)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the vote's operating surplus or deficit.

Explanatory notes to MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) (Referred to Table A4 Final budget 2018/2019)

Revenue generated from **rates and service charges** forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise 54.40% of the total revenue mix. In the 2018/19 financial year, revenue from rates and service charges totaled R130 709 million in the income budget. It increases to R142 263million and R154 311million in the respective outer years.

Property rates are the second largest revenue source totaling 6.67% of the total income budget or R19 .129million.

Property rates for 2018/2019 budget has increased compared to 2017/2018 adjustment budget as a result of annual 5.9% increase,

Electricity is the biggest source of income and represents R96.760million of the total income budget in 2018/19.

Refuse removal as compared to 2017/2018 adjustment budget has gone up from R14.819million to R14.829 million and looking on the fact that as a results of demarcation the municipality has inherit rural villages from Mutale which the municipality will be servicing by collecting waste, though there is a tariff increase of 5.9% that cut across other households and businesses.

Interest earned from outstanding debtors has increased as compared from 2017/2018 adjustment budget R986 million to R1.038 million.

Interest earned from investment has increased from R780 000 2017/2018 adjustment budget and increase to R821 000 in 2018/2019 budget.

License and permits has increased from R5 026 Million 2017/2018 Adjustment budget to R5 292. Million in 2018/2019 new budget and this is as a results of municipality testing station being in operation assisting in collecting revenue,

Other revenue which comprises of rezoning of sites, building plans and extra has decreased to R2 508 Million in the 2018/19 new budget, R12 489 Million in 2017/2018 adjustment budget. Operating grants and transfers totals R126 955 million or 54.41% of total income budget in the 2018/19 financial year and moves to R142 689 million by 2019/20.

Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years. Employee related cost has increased as compared to 2017/2018 adjustment budget from R116 307Million to R120 700 Million in 2018/2019 budget and this is as a result of annual salary 6% increase, critical vacancy position contribute to variance. Management of the municipality has develop a system to manage overtime where in employees will no longer work overtime more than 40 hours which gives a significant savings compared to 2017/2018 budget.

Bulk purchases significantly increased between 2017/18 to 2019/20, escalating from R44 million to R80.6 million. These increases can be attributed to the substantial massive increase in the cost of bulk electricity from Eskom.

Depreciation – the municipality only account for depreciation at year end, therefore the adequacy of the provision is reasonable

Other Expenditure has decreased from R65 823million to R22 470million in 2018/2019 budget which is made of Sec 10 of IDP development strategies, programmes on page 358 of IDP internal operating cost also taking cognizance of actual year to date expenditure in the section 71 reports it is further illustrated in a separate sheet attached with break down making up the totals

Contracted services has decreased from R15 367Million to R13 500 Million due to the contracts envisages for the next 3 years which are Electronic PMS, Prevention of fire system in the server, protective clothing, medical detection programme and security services and this are existing contracts, which will further be described in the list attached below.

Other Expenditure On Schedule A4 & SA1	18/19
Property transfer ext 5,6 &7	1,053
Fire Exit plan ,Alarm and Dectector	1,369
Customer Help desk	253
Electronic Records Management System	632
Bursaries[further studies,post grad,MFMP,CPMD,a	842
Conferencse and Delegation	100
Insurance	1,851
Licence fees-computer	812
community laision	1,120
Postage	316
Printing and Stationer	632
Youth Assistance	150
Telephone cost	334
Training	948
Budget Speech	200
Mayoral Busary	1,500
Replacement of copper to alluminium	1,224
Musina Annual Show	1,000
Bad debts	632
Valluation Roll	1,000
Mayoral Special Programm	2,000
Replacementof Globe/streetlight /cabling for highm	527
Collection cost	1,165
Accomodation maia house	75
Audit Fees	2,736
Total Expediture	**22,470**

Explanatory notes to MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source (Referred to Table A5 Final budget 2018/2019)

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the Capital Budget, including information on capital transfers from national and provincial departments.

2. The MFMA provides that a municipality may approve multi-year or single-year Capital Budget appropriations. In relation to single-year appropriations for 2018/19, R43 492million has been allocated of the Capital Budget, refer to IDP for the listing of projects. This allocation increased to R51 416million in 2019/20 and R49 665million in 2020/21 as per DORA 2018, the Capital programme is funded by grants and transfers from government (Municipal infrastructure grant).

3. The municipality does not have internal generated funds.

Explanatory notes to MBRR Table A6 - Budgeted Financial Position (Referred to Table A6 Final budget 2018/2019)

1. Table MBRR A6 is consistent with international standards of good financial management practice, and improves councilors' and management's understanding of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents assets less liabilities as "accounting" community wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash or liabilities immediately required to be met from cash, appear first.
3. MBRR Table SA3 – supporting detail to the statement of financial position is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:

- Call investments deposits.
- Consumer debtors.
- Property, plant and equipment.
- Trade and other payables.

- Provisions non-current.
- Changes in net assets.
- Reserves.

4. The municipal equivalent of equity is community wealth/equity. The justification is that ownership and the net assets of the municipality belong to the community.

5. Any movement on the budgeted financial performance or the Capital Budget will inevitably impact on the budgeted financial position. For example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.
6. The municipality doesn't anticipate to enter into any new borrowings for 2018/2019 financial year however the municipality will continue to repayment of the existing borrowings which is amounting to R5 152 Million.

Explanatory notes to MBRR Table A7 - Budgeted Cash Flow Statement (Referred to Table A7 Final budget 2018/2019)

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.

2. It shows the expected level of cash inflow versus cash outflow that is likely to result from the implementation of the budget, and the cash that will be available at the year-end is amounting R1.2Million

3. The cash and cash equivalents increase because of healthy increases in operational activities due to implementations of various interventions, i.e. extensive debt collection drive and reduction in expenditure pattern and spending previous year's debt. Exacerbate the strain in our cash flow

4. The municipality is anticipating that 84% of the budgeted revenue will be collected.

Explanatory notes to MBRR Table A8 – Cash-backed Reserves/Accumulated Surplus Reconciliation (Referred to Table A8 Final budget 2018/2019)

1. The cash-backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence, the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. The end objective of the medium-term framework is to ensure the budget is funded and aligned to Section 18 of the MFMA.
6. From the table it can be seen that the cash surplus is increasing over the years.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2018/19 MTREF and considering the requirements of Section 18 of the MFMA.

Explanatory notes to MBRR Table A9 - Asset Management (Referred to Table A9 Final budget 2018/2019)

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40% of their Capital Budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8% of PPE. The municipality meets the 40% renewal requirement.
3. The repairs and maintenance is not met due to the Musina municipality having revalued its assets with the first time adoption of GRAP 17 and asset values are currently high. However, the R&M budget is increased to meet not only NT benchmark target of 8%, but to improve the service delivery to the community.

4. The percentage increase from the current 13.6% in 2017/18 to 14.3% in 2018/19. This does not implicate a reduction in the repair and maintenance budget, but merely as a result that internal labour (which is included in the current year) are now excluded from the repair and maintenance budget of Council. This was done in order to align the repair and maintenance budget with the GRAP principles.

Explanatory notes to MBRR Table A10 - Basic Service Delivery Measurement (Referred to Table A10 Final budget 2018/2019)

1. It is anticipated that these FBS will cost the municipality R4 million in 2018/19. This ‘tax expenditure’ needs to be seen within the context of the municipality’s overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services.
2. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
3. The municipality continues to make good progress with the eradication of backlogs:
4. The budget provides for 20 589 households to be registered as indigent in 2018/19, and therefore entitled to receiving FBS. The level of FBS will have to be reviewed to cover the cost of additional indigents given the rapid rate of immigration to the municipality, especially by poor people seeking economic opportunities.

2.5. Overview of budget Assumptions

- The annual final budget for 2018/2019 was done in terms of MFMA and municipal budget reporting regulation.
- The annual final Budget was prepared in an environment of uncertainty and assumptions had to be made about internal and external factors that could impact on the budget during the course of the financial year.
- We have also looked at the following factors
  (a) Economic climate
  (b) Poverty levels
  (c) Inflation
  (d) Service delivery cost increases
  (e) Increase of staff costs and demands

The inflation rate forecasts as per MFMA circular no.91 issued by National Treasury has been used on the MTERF. However some tariffs are based on cost recovery. The method used on Capital Budget is zero based budgeting.

Revenue

- Revenue to be generated from property rates has increased to R19.129 million by 2018/2019 and remains a significant funding source for the municipality. The municipality is anticipating to collect 84 % of on all billed services.
- Other revenue like Tender document, building plans, clearance certificates, Hawkers licence, etc.
- Gains on disposal of PPE – the municipality is anticipating to sell sites with a rand value of R16 513 million in the 2018/19,
- Transfers recognized – operating includes the local government equitable share and other operating grants from national Government. The grants receipts from national government are growing rapidly over the budget year, however in 2018/2019 there has been an increase in operational grant due to new demarcation arrangements and also the budgeted figure of electrification grant of R15 MILLION from Provincial Energy Department. Operational grant alone has increased from R114 552 Million in 2017/2018 to R126 955 Million in 2018/2019 financial year.'

Expenditure

- The salaries and wages for 2017/2018 financial year was R116.307 million Adjusted and it has increased to R 120 700 million for 2018/2019 financial year, the municipality has taken cognisance of actual year to date expenditure of R82 Million in mid-year assessment and anticipate that the municipality will spend R120 700million, 6% annual salary increase has been taken into consideration , though there are vacant critical positions
- Contracted services has increased from R13.500 Million to R15.367Million due to the contracts envisages for 18/19 which are Electronic PMS, Prevention of fire system in the server, protective clothing, medical detection programme and security services both this contracts are multiyear contracts with an annual increases on prices

- It is the requirement of GRAP presentation in respect of assets. Depreciation has decreased to R28 500 Million in 2018/2019.
- Repair and maintenance holds 43.7% of total budget amounting to R39 302 Million, this will cater for maintenance of existing assets and new assets of the municipality, refer to table A9.

Surplus/ (Deficit)

In the 2018/19, the municipality projected a zero surplus/deficit.

2.6. Overview of budget funding

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

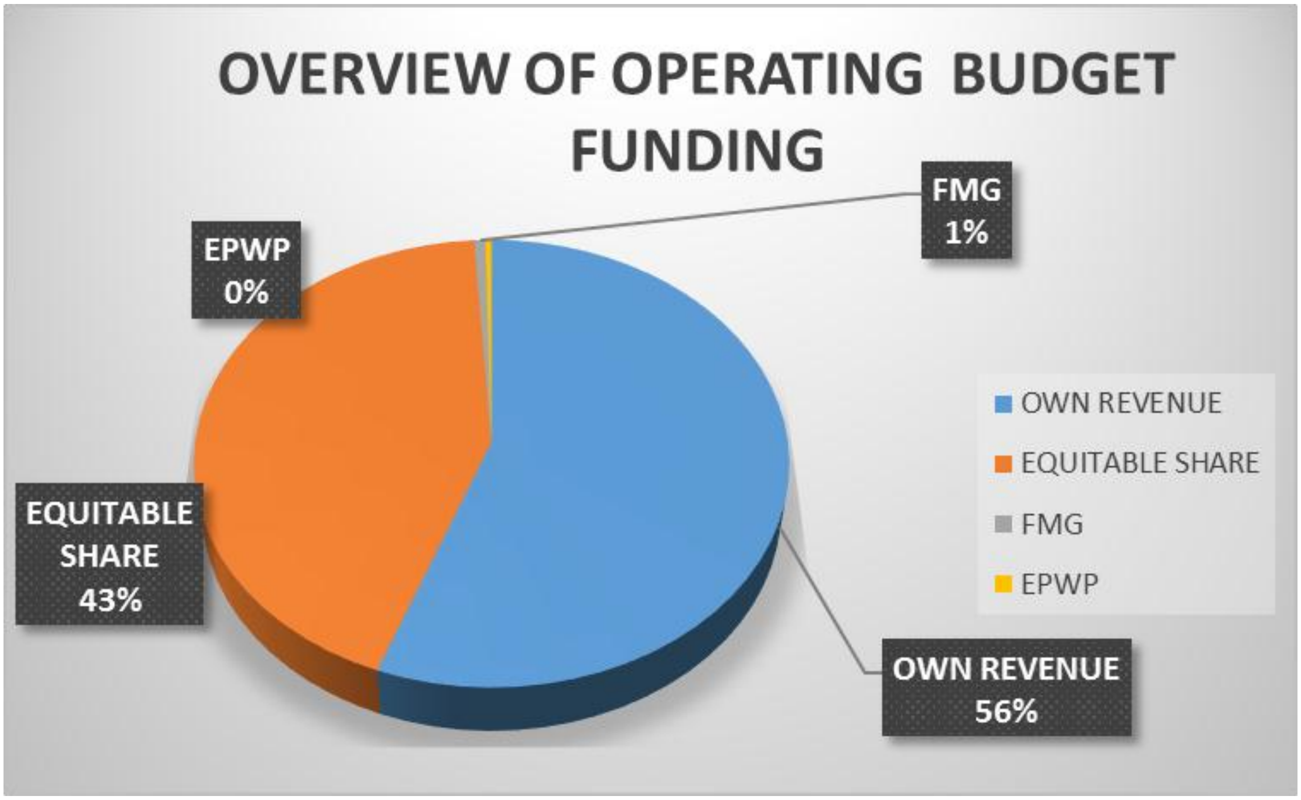
Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

Ie. Operating Grants and Services Charges.

Refer Table A7: Budgeted' Cash Flow Analysis

LIM341 Musina - Table A7 Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		12 287	13 396	12 282	14 603	14 603	14 603	14 603	15 303	16 130	17 017
Service charges		90 495	101 235	105 732	99 916	99 916	99 916	99 916	89 271	94 092	99 267
Other revenue		26 876	111 312	112 342	7 801	8 202	8 202	8 202	14 777	31 628	23 600
Government - operating	1	42 769	50 346	91 104	114 522	114 522	114 522	114 522	126 955	142 689	160 049
Government - capital	1	18 943	14 318	39 414	47 468	47 468	47 468	47 468	43 492	51 416	49 665
Interest		2 419	2 750	532	2 457	2 457	2 457	2 457	1 487	1 568	1 654
Dividends									–	–	–
Payments											
Suppliers and employees		(157 360)	(253 833)	(321 888)	(252 473)	(257 473)	(257 473)	(257 473)	(247 910)	(271 716)	(286 302)
Finance charges		(3 117)	(2 647)	(2 056)	(1 836)	(1 836)	(1 836)	(1 836)	(2 800)	(2 982)	(3 176)
Transfers and Grants	1	(7 129)	(7 001)	(7 220)	(3 150)	(3 150)	(3 150)	(3 150)	(3 686)	(3 885)	(4 098)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**26 183**	**29 876**	**30 242**	**29 308**	**24 709**	**24 709**	**24 709**	**36 890**	**58 939**	**57 676**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE					28 000	28 000	28 000	28 000	14 032	–	–
Decrease (Increase) in non-current debtors		128	–						–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(20 445)	(23 977)	(25 120)	(47 468)	(42 468)	(42 468)	(42 468)	(43 492)	(51 416)	(49 665)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(20 317)**	**(23 977)**	**(25 120)**	**(19 468)**	**(14 468)**	**(14 468)**	**(14 468)**	**(29 460)**	**(51 416)**	**(49 665)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing		–		(35)					–	–	–
Increase (decrease) in consumer deposits			172	192	175	175	175	175	–	–	–
Payments											
Repayment of borrowing		(5 899)	(6 810)	(4 865)	(10 782)	(10 782)	(10 782)	(10 782)	(7 000)	(7 455)	(7 938)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(5 899)**	**(6 638)**	**(4 708)**	**(10 607)**	**(10 607)**	**(10 607)**	**(10 607)**	**(7 000)**	**(7 455)**	**(7 938)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(33)**	**(739)**	**414**	**(767)**	**(366)**	**(366)**	**(366)**	**430**	**68**	**73**
Cash/cash equivalents at the year begin:	2	**1 558**	**1 525**	**785**	**2 863**	**1 199**	**1 199**	**1 199**	**833**	**1 263**	**1 331**
Cash/cash equivalents at the year end:	2	**1 525**	**786**	**1 199**	**2 096**	**833**	**833**	**833**	**1 263**	**1 331**	**1 404**



2.7. Expenditure on allocations and grant programmes

Expenditure for each grant for the MTREF period is summarised in the table below also in Table SA18

LIM341 Musina - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		42,767	51,587	94,783	114,522	114,522	114,522	126,955	142,689	160,049
Local Government Equitable Share		–	–							
Local Government Equitable Share		38,966	47,735	91,104	104,327	104,327	104,327	124,015	140,324	157,252
Finance Management		1,800	1,800	1,800	1,900	1,900	1,900	1,900	2,365	2,797
Municipal Systems Improvement		934	940		–	–	–	–	–	–
EPWP Incentive		1,067	1,112	1,879	1,013	1,013	1,013	1,040	–	–
Energy Efficiency and Demand Management					5,000	5,000	5,000			
Munic Demarcation transitional grant					2,282	2,282	2,282	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Munic Demarcation transitional grant										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	42,767	51,587	94,783	114,522	114,522	114,522	126,955	142,689	160,049
Capital Transfers and Grants										
National Government:		18,943	14,356	39,414	47,468	42,468	42,468	43,492	51,416	49,665
Municipal Infrastructure Grant (MIG)		18,943	14,356	39,414	29,468	24,468	24,468	28,492	29,016	30,465
Intergrated Electrification Programme					18,000	18,000	18,000	15,000	22,400	19,200
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	18,943	14,356	39,414	47,468	42,468	42,468	43,492	51,416	49,665
TOTAL RECEIPTS OF TRANSFERS & GRANTS		61,710	65,943	134,197	161,990	156,990	156,990	170,447	194,105	209,714

Allocation and grants made by municipality

- No allocations and grants made by the municipality

2.8. Councilor allowances and employees benefits

- The councilor allowances have been prepared in line with SALGA Gazette, while the employee's benefits were done considering 6% salary increase as per Circular No 79 as already detailed in the executive summary.

2.9. Monthly targets for revenue, expenditure and cash flows

Disclosure on monthly targets for revenue, expenditure and cash flow is made in the following MTREF tables:

A. TABLE SA25 - Budgeted monthly revenue and expenditure
B. TABLE SA26 - Budgeted monthly revenue and expenditure (municipal vote)
C. TABLE SA27 - Budgeted monthly revenue and expenditure (standard classification)
D. TABLE SA28 - Budgeted monthly capital expenditure (municipal vote)
E. TABLE SA29 - Budgeted monthly capital expenditure (standard classification)
F. TABLE SA30 - Budgeted monthly cash flow

2.10. Annual Final budgets and Services Delivery and Budget implementation plans – internal departments

- In terms of section 53(1)(c)(ii) of the MFMA the Service Delivery and Budget Implementation Plan must be approved by the Mayor within 28 days after the final approval of the budget. The monthly and quarterly service delivery targets and performance indicators will be revised to correspond with the 2018/2019 budget.

2.11. Contracts having future budgetary implications

- In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12. Capital Expenditure Details

Capital Details are shown in the following MTREF Tables:

Supporting Tables SA28, SA29, SA34a and SA34b be noted.

2.13. Legislation Compliance Status

Also read with the Budget Overview narrated separately.

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed 5 interns undergoing training in various divisions of the Financial Services Department.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

A district shared Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP of the municipality will be reviewed as part of this year's planning and budget process.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

The MFMA training module are currently being conducted in the municipality.

2.14. Other Supporting Documents

Various supporting documents are attached to enable the reader a fuller understanding of the various processes involved. They consist of the following

(A) ANNEXURE A – BUDGET RELATED RESOLUTIONS
(B) ANNEXURE B - BUDGET RELATED SCHEDULES
(C) ANNEXURE C – MTREF TABLE A1-A10
(D) ANNEXURE D - MTREF SUPPORTING TABLES SA1 – SA38

Annual budgets of municipal entities attached to the municipal annual budget

Musina Municipality has no Municipal entities

2.15. Municipal Managers Quality certificate

Attached